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PUC DOCKET NO. 51415
SOAH DOCKET NO. 473-21-0538

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APPLICATION OF §
SOUTHWESTERN ELECTRIC §
POWER COMPANY FOR §
AUTHORITY TO CHANGE RATES §

PUBLIC UTILITY
COMMISSION OF TEXAS

EAST TEXAS SALT WATER DISPOSAL COMPANY'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO EAST TEXAS SALT WATER DISPOSAL COMPANY
QUESTION NOS. STAFF 1-1

East Texas Saltwater Disposal Company ("ETSWD") files this Response to Commission Staff's First Request for Information to ETSWD. ETSWD's responses to requests for information within four (4) working days pursuant to SOAH Order No. 2, making the responses due by April 21, 2021.

ETSWD files these responses without agreeing to the relevancy of the information sought and without waiving its right to object at the time of the hearing to the admissibility of information produced herein.

Respectfully submitted,

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ATTORNEYS FOR EAST TEXAS SALT
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**EAST TEXAS SALT WATER DISPOSAL COMPANY'S FIFTH REQUEST FOR
INFORMATION TO SOUTHWESTERN ELECTRIC POWER COMPANY**

Staff 1-1. What is Kit Pevoto's understanding of what constitutes a known and measurable change to test-year data. Please describe what standards should be used to determine whether a change is known and measurable.

Response to Staff 1-1:

Although the Commission sets rates for a utility based upon an historic test year, the goal is to set rates as closely as possible to the costs that will prevail when the rates go into effect. "Changes occurring after the test period, if known, may be taken into consideration by the regulatory agency...in order to make the test year data as representative as possible of the cost situation that is apt to prevail in the future." *Central Power and Light Co. v. Public Util. Comm'n of Texas*, 36 S.W. 3d 547, 563 (Tex. App.—Austin 2000, pet. denied), quoting *Suburban Util. Corp. v. Public Util. Comm'n of Texas*, 652 S.W. 2d 358, 366 (Tex. 1983). The Commission has discretion to make these changes where "the attendant impacts on all aspects of a utility's operations can be with reasonable certainty identified, quantified, and matched." *Id.*

The Commission has in a prior SWEPCO rate case made known and measurable changes to billing determinants as Ms. Pevoto proposes in this Docket. Specifically, in Commission Docket No. 40443, the Commission found "[b]ecause SWEPCO has actual data for the first 11 months showing that the weather-normalized residential sales have come in at 5% below the forecast that was used in the post-test-year adjustment, it is reasonable to replace the forecasted residential sales post-test-year adjustment with the actual weather adjusted 2012 sales." *Application of Southwestern Electric Power Co. for Authority to Change Rates and Reconcile Fuel Costs*, PUCT Docket No. 40443, Final Order at FoF 263 (Oct. 10, 2013).

Like the situation in Docket No. 40443, in the current Docket, SWEPCO has known load data for the entirety of 2020 that incorporates the impact of COVID-19, and it is Ms. Pevoto's proposal to utilize that known and measurable data in allocating costs in this case.

Prepared by: Kit Pevoto

Sponsored by: Kit Pevoto